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March 25, 1996

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Hand-Delivered

William F. Caton, Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

Re: Ex Parte Presentation; WT Docket No. 95-157,
RM 8643 (Microwave Relocation)

Dear Mr. Secretary:

On March 25, 1996, Mr. G. Lynn Andrews, on behalf of the Union Pacific Railroad, sent the enclosed letter regarding microwave relocation to Michelle C. Farquhar, Chief of the Commission's Wireless Telecommunications Bureau.

In accordance with Section 1.1206 of the Commission's Rules, an original and one copy of the letter are being filed with your office.

Any questions concerning this matter should be directed to the undersigned.

Respectfully submitted,



Thomas J. Keller

Enclosure

cc: Michele C. Farquhar (w/enc.)

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UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179



March 25, 1996

Michele C. Farquhar, Esq.
Chief, Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W.
Washington, DC 20554

Re: Microwave Relocation
WT Docket No. 95-157

Dear Ms. Farquhar:

On behalf of Union Pacific Railroad, I am writing to express our strong objection to a letter sent to the FCC on March 1, 1996, by Thomas E. Wheeler, President of the Cellular Telecommunications Industry Association ("CTIA"). The views expressed here are merely a summary of our position, which I wanted to share with you before you attended the CTIA meeting in Dallas on March 25. Union Pacific intends to send to Chairman Hundt a more definitive response to the CTIA letter later this week, and I will make sure that you receive a copy.

There are three important points relating to the CTIA letter. First, the CTIA allegations against Union Pacific are completely false. Second, a system-wide permanent solution to our 2 GHz microwave replacement is essential. And, third, a cost-sharing procedure should be incorporated as part of the FCC's rules as soon as possible so that multiple PCS licensees will be required to participate with each other in achieving microwave relocations.

As to the first point, CTIA's and Sprint's characterization of Union Pacific was totally false and misleading. In the March 1 letter, CTIA accused us of "extortion", "bad faith", and "outlandish" and "irresponsible" behavior. Mr. Wheeler claimed that we had requested \$46,250,000 from Sprint to relocate 24 links, and that \$40,250,000 of this was "extortion" money. This is simply not true. The record shows (and Sprint's own documents confirm) that the \$46,250,000 amount was for 185 links, not 24 as claimed in the CTIA letter, at a per link cost of \$250,000, which has been accepted as a fair average per-link cost by the Commission and by CTIA as well. And, Sprint's characterization of Union Pacific was just as misleading as CTIA's. In its accompanying document dated 2/23/96 in which Sprint represented Union Pacific as a "bad actor", Sprint gave the impression that Union Pacific had not responded to Sprint's proposal and that negotiations had broken off. This is not true. In fact, UP has continued its discussions with Sprint although we are not at liberty to disclose the nature of those discussions.

The second point is that a systemic relocation plan is extremely important to Union Pacific. Our 185 paths in the 1.9 GHz band are used for controlling train operations throughout the entire Union Pacific rail network. The microwave system carries critical communications that are integral to the minute-to-minute controlling and routing of trains, including dispatcher communications, train signals and track switching.

Because of the critical nature of our communications, the number one priority for our microwave system is reliability. Unfortunately, replacing portions of the system on a piecemeal, haphazard basis would compromise overall system reliability, a result that we simply cannot accept.

This brings me to the third point -- the need for changes in the FCC's rules to adopt a cost-sharing plan to facilitate systemic relocations. Importantly, the rules should also require existing PCS licensees -- presently the A and B block licensees -- to participate jointly in the relocation negotiations with an incumbent and to share the system-wide relocation costs, subject to reimbursement later by PCS licensees in subsequent spectrum blocks, including the C block licensees.

In conclusion, I want to reiterate our very strong concern about the false and misleading manner in which Union Pacific was portrayed in CTIA's March 1 letter. Contrary to Mr. Wheeler's characterization, Union Pacific has negotiated in good faith from the very outset with Sprint and other PCS licensees. We recognize that the Commission has concluded that use of the 2 GHz spectrum for PCS service is in the public interest, and that this will require that we vacate the band. Although we have attempted as best we can to accommodate the FCC's goal of expediting PCS service to the public, we must point out that the FCC's present rules do not encourage an efficient resolution of system-wide allocation issues. For this reason, we encourage the Commission to adopt a cost-sharing plan and a procedure that will require A and B block licensees to share in the responsibility for systemic relocations.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Lynn Andrews", with a long, sweeping horizontal line extending to the right.

G. Lynn Andrews

Asst. Vice President Telecommunications
(402) 271-2253